

Q1

Interim report
January-March 2023



"The potential and role of hydrogen in the energy and fuel transition is becoming clearer and clearer every day. Metacon is emerging as a supplier of powerful solutions for fossil-free hydrogen to several different needs and customer groups"

Christer Wikner, President and CEO

Interim report

1 January – 31 March 2023

Quarter for the Group Jan–Mar 2023

- Revenues amounted to SEK 16.3 (12.6) million.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to SEK -12.7 (-5.8) million.
- Operating profit (EBIT) amounted to SEK -15.4 (-16.4)* million.
- Profit/loss after financial items amounted to SEK -15.5 (-16.5)* million.
- Earnings per share amounted to SEK -0.05 (-0.06)*.

Significant events during and after the quarter

- On January 24, Metacon announces that it has signed MoU with the state forest manager RDSF in Poland for a turnkey hydrogen project with a total capacity of approximately 5 MW.
- On February 27, Metacon announced in collaboration with Hydroholding that it will deliver integrated PEM electrolyser and hydrogen refuelling station in Slovakia.
- On March 1, Metacon announced that the company's subsidiary Helbio receives an order from the University of Western Macedonia.
- On March 7, it was announced that Metacon's subsidiary Helbio receives an order for systems for reforming ethanol into green hydrogen from WattAnyWhere for off-grid electric vehicle charging.
- On April 19, Metacon announces that the subsidiary Helbio receives three different ISO certifications.

Key figures for the Group

MSEK	Jan-Mar 2023	Jan-Mar 2022*	Jan-Dec 2022
Revenues	16.3	12.6	67.1
Operating income	-15.4	-16.4	-47.3
Profit/loss after financial items	-15.5	-16.5	-50.4
Earnings per share, SEK	-0.05	-0.06	-0.17
Equity/asset ratio (%)	86.5	95.0	90.3
Share price at end of period, SEK	1.24	3.44	1.13

For a complete key ratio table and definitions of key figures, see page 15.

**In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in reduced depreciation during 2022, of which SEK 6.5 million refers to the adjustment for Q1 2022, which by comparison becomes SEK 4.1 million.*

Comments from the CEO

EVENTFUL START OF THE YEAR

The year began with another eventful quarter where work to build a strong platform for growth in the hydrogen market in both reforming and electrolysis continued. As both the Swedish and international market for green hydrogen develops, we see an increasing interest in different applications of our reforming technology, both to produce hydrogen and in various hydrogen-based powertrains in vehicles and vessels. Furthermore, we see an increasing interest in hydrogen production through electrolysis and during the quarter we added another electrolysis sale to the order book. The possibility of refuelling different vehicles with self-produced fossil-free hydrogen is something that more and more people are becoming aware of.

While we saw higher revenues compared to the corresponding quarter last year, a large part of the work during the quarter was about quality assurance and building structures that creates the conditions for growth. The work to establish two unique demonstration sites for both electrolysis and reforming is progressing well. Our Swedish project in electrolysis together with our customer in Småland will be completed in early summer and offers refuelling of self-produced hydrogen from wind power electricity to both cars and trucks. In Germany, work is underway to prepare to produce green hydrogen without electricity, by simply converting biogas captured from a wastewater treatment plant to hydrogen with our compact reforming unit.

With the opportunity to demonstrate our solutions in real projects, we expect to be able to drive our sales more efficiently and accelerate the development curve for Metacon. Right now, we see that more procurements are taking longer time than both we and our customers anticipated, something that is largely due to the learning process that the emergence of a new technology-heavy market entails. Regardless, we continue to see positive signals from existing and new potential customers.

INCREASING THE PACE

It is natural that growth brings increased costs and, in our case, necessary investments in things such as a group-wide IT platform, IT security and financial systems that will streamline the business giving us the opportunity to steer our margins in the right direction. We are working towards relevant ISO certifications and at the end of the period we announced that our subsidiary Helbio had achieved this. Furthermore, we are building stronger support for both our product development and sales operations, enabling an improved ability to deliver robust solutions to our customers. In Greece, we are now moving to larger factory premises for the reforming business area allowing us to develop and build smaller and larger systems in one place, increasing the efficiency and reducing travel. During the period, we also strengthened the business with key competencies to continue to grow.

FOCUS ON INCREASED EFFICIENCY DURING THE REST OF 2023

The focus of the work going forward is now both on completing and opening the demonstration plants as well as on the sales activities. We also focus on strengthening margins in our projects by reviewing quotation management, streamlining and cost rationalisation to gradually improve profitability. The potential and role of hydrogen in the energy and fuel transition is becoming clearer and clearer every day. Metacon is emerging as a supplier of powerful solutions for fossil-free hydrogen to several different needs and customer groups. I look forward to leading the company further towards our goals.



Christer Wikner
President and CEO, Metacon AB (publ)

The Group's financial development 1 January – 31 March 2023

NET SALES

Net sales amounted to SEK 14.2 (12.3) million. Net sales mainly come from an increase in the completion rate of ongoing electrolysis and hydrogen filling station projects and have increased by 15 percent compared to the previous year. During the quarter, a new electrolysis project was contracted to Slovakia and in the subsidiary Helbio, some sales have taken place within research and development projects.

EARNINGS

Operating loss amounted to SEK -15.4 (-16.4)* million. During the period, the Group's operating expenses increased by 9 percent compared with the corresponding period last year, which had a negative impact on operating profit and operating cash flow. The main reason for this is that the cost of goods sold has increased for the projects in electrolysis and filling station and that investments in the organization, including an increase in the workforce, have been made to strengthen the company's capabilities.

Raw materials and consumables amounted to SEK -14.6 (-10.8) million.

Profit/loss after financial items amounted to SEK -0.1 (-0.1) million. The item concerned interest expenses.

Profit/loss after financial items for the quarter amounted to SEK -15.5 (-16.5)* million.

CASH FLOW

Cash flow from operating activities before changes in working capital decreased by approximately 140 percent to SEK -12.5 million.

Cash flow from operating activities after the change in working capital amounted to SEK -5.8 (-10.2) million, where the change in working capital amounted to SEK 6.7 (-5.0) million, which is mainly attributable to an increase in advances from customers regarding the company's customer projects.

Cash flow from investing activities amounted to SEK -0.7 (-0.1) million, mainly related to the manufacture of a hydrogen generator that is planned to be delivered to a demo plant in Kempten later this year.

Cash flow from financing activities amounted to SEK -0.5 (-0.4) million. The item consists of amortisation of bank loans SEK 0.6 (0.6) million.

Cash flow for the period totalled SEK -7.0 (-10.7) million, where the increase in working capital being the primary reason for the decrease compared with the previous year.

FINANCIAL POSITION

At the end of the period, cash and cash equivalents amounted to SEK 98.2 (32.2) million. The equity/assets ratio amounted to 86.6 percent (95.0)* and interest-bearing liabilities amounted to SEK 4.4 (3.7) million. Equity amounted to SEK 156.4 (214.9)* million. Equity per share amounted to SEK 0.46 (0.81)*.

PARENT COMPANY

The Parent Company's net sales during the period amounted to SEK 14.1 (-) million. Operating loss amounted to MSEK -8.9 (-3.4) and loss after financial items amounted to MSEK -9.0 (-3.5).

SIGNIFICANT CHANGES IN FINANCIAL POSITION AFTER THE END OF THE REPORTING PERIOD

No significant changes have occurred since the end of the reporting period.

Quarterly overview

MSEK	Jan-Mar 2023	Oct-Dec 2022*	Jul-Sep 2022*	Apr-Jun 2022*	Jan-Mar 2022*
Revenues	16.3	12.3	21.9	20.5	12.6
Operating income	-15.4	5.6	-21.2	-15.3	-16.4
Profit/loss after financial items	-15.5	2.7	-21.3	-15.4	-16.5
Earnings per share, SEK	-0.05	0.01	-0.06	-0.06	-0.06
Total cash flow	-7.0	17.5	63.2	-7.8	-10.7
Equity/asset ratio, %	86.6	90.3	95.1	94.7	95.0

**In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in reduced depreciation during 2022, of which SEK 6.5 million refers to adjustment for each of the first three quarters of 2022 and the fourth quarter was positively affected by SEK 19.5 million. The adjustment made in Q4 2022 has an impact on the comparison of the quarters, as Q1-Q3 2022 has not changed in relation to this adjustment.*

Other information

EMPLOYEES

The Group had 34 (29) employees at the end of the quarter.

SIGNIFICANT RISKS AND UNCERTAINTIES

In the group's operations, there are both strategic and operational risks linked to the business and financing activities. Due to the uncertainty resulting from the war in Ukraine, the subsequent energy crisis and higher inflation, the group is affected by higher costs for raw materials and running costs. For a more in-depth view of the Company's significant risks and uncertainty factors, please see the annual report for 2022 and the prospectus for the rights issue in 2022 which can be found on the company's website.

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with the Annual Accounts Act and Swedish Accounting Standards Board's general advice 2012:1 Annual report and consolidated accounts, K3. The principles are unchanged compared to the previous period.

The report has not been reviewed by the company's auditor.

The reporting of goodwill on additional investments in the subsidiary Helbio Holding was adjusted in Q4 2022, which has meant that the additional investment made in autumn 2021 has been converted to equity in the consolidated financial statements and that reported depreciation during the first three quarters of 2022 was reversed in the fourth quarter of 2022. The first three quarters of 2022 are therefore unchanged and not affected by the implemented adjustment. This takes effect when comparing the quarterly data for 2023. The parent company's accounting has not been affected by this adjustment.

ANNUAL GENERAL MEETING 2023

Metacon AB's Annual General Meeting 2023 will be held on June 8, 2023. Further information on how and when the registration will be published well in advance of the Annual General Meeting.

RELATED-PARTY TRANSACTIONS

No related party transactions took place during the period.

FINANCIAL CALENDAR

- The Annual General Meeting will be held on June 8, 2023
- Interim report January-June 2023 will be published on August 24, 2023
- Interim report January-September 2023 will be published on 10 November 2023
- Year-end report 2023 will be published on 15 February 2024

CONTACT

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This report is information that Metacon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, on 17 May 2023 at 08:00 CEST.

After publication, the report will be available on the company's website, www.metacon.com.

Consolidated income statement

MSEK	Jan-Mar 2023	Jan-Mar 2022*	Jan-Dec 2022
Revenues			
Net sales	14.2	12.3	63.8
Other operating income	2.1	0.3	3.3
	16.3	12.6	67.1
Operating expenses			
Raw materials and consumables	-14.6	-10.8	-57.4
Other external costs	-10.3	-3.7	-25.3
Employee expenses	-3.4	-3.7	-18.5
Depreciation and amortisation of tangible and intangible assets	-2.7	-10.6	-12.2
Other operating expenses	-0.7	-0.2	-1.0
Operating income	-15.4	-16.4	-47.3
Result from financial items			
Profit or loss on securities that are fixed assets	-	-	-3.0
Interest receivable and similar income	0.0	-	0.1
Interest expenses and similar expenses	-0.1	-0.1	-0.2
Profit/loss after financial items	-15.5	-16.5	-50.4
Profit before tax	-15.5	-16.5	-50.4
Profit for the period	-15.5	-16.5	-50.4
Attributable to			
Shareholders of the parent company	-15.5	-16.5	-50.4
Non-controlling interests	-	-	-

*In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in reduced depreciation during 2022, of which SEK 6.5 million refers to the adjustment for Q1 2022, which by comparison becomes SEK 4.1 million.

Consolidated balance sheet

MSEK	2023-03-31	2022-03-31*	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised expenditure on development works and similar works	1.3	1.1	1.1
Goodwill	31.7	158.5	34.0
	33.0	159.6	35.1
<i>Property, plant and equipment</i>			
Machinery and other technical installations	5.5	4.1	5.7
Equipment, tools and installations	1.1	0.9	0.8
	6.6	5.0	6.5
<i>Financial assets</i>			
Participations in associated company	6.2	-	6.2
Other long-term securities	2.0	5.0	2.0
Other long-term receivables	0.1	0.1	0.1
	8.3	5.1	8.3
Total fixed assets	47.9	169.7	49.9
Current assets			
<i>Inventories, etc.</i>			
Raw materials and consumables	5.7	5.1	9.5
Work in progress on behalf of third parties	10.6	7.0	4.1
	16.4	12.1	13.6
<i>Current receivables</i>			
Accounts receivables	9.3	1.8	17.9
Other receivables	6.7	2.8	2.5
Prepayments and accrued income	2.1	7.5	1.0
	18.1	12.1	21.4
<i>Cash and cash equivalents</i>			
	98.2	32.2	105.2
Total current assets	132.7	56.4	140.2
TOTAL ASSETS	180.6	226.1	190.1

Consolidated balance sheet

MSEK	2023-03-31	2022-03-31*	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	3.4	2.6	3.4
Other equity	153.0	212.3	168.2
Equity attributable to shareholders of the parent company	156.4	214.9	171.6
Non-controlling interests	-	-	-
Total equity	156.4	214.9	171.6
Non-current liabilities			
Other liabilities to credit institutions	2.3	2.9	2.5
Other long-term liabilities	1.5	0.2	1.8
	3.8	3.1	4.3
Current liabilities			
Other liabilities to credit institutions	0.6	0.6	0.6
Invoiced but unearned revenue	8.0	-	-
Accounts payable	6.6	2.7	3.5
Tax liabilities	0.2	0.1	0.2
Other current liabilities	2.0	3.2	7.1
Accrued expenses and deferred income	3.0	1.5	2.8
	20.4	8.1	14.2
TOTAL EQUITY AND LIABILITIES	180.6	226.1	190.1

*In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in goodwill of SEK 123 million being transferred to equity in the fourth quarter of 2022.

The Group's change in equity

MSEK	Jan-Mar 2023	Jan-Mar 2023*	Jan-Dec 2022
Opening equity			
Attributable to the parent company's shareholders	171.6	230.8	230.8
Non-controlling interest	-	-	-
Result of the period	-15.5	-16.5	-50.4
Net share issue	-	-	120.8
Transfer of goodwill for Helbio to equity	-	-	-122.9
Other items booked directly against equity **	0.3	0.6	-6.7
Closing equity			
Attributable to the parent company's shareholders	156.4	214.9	171.6
Non-controlling influence	-	-	-

*In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in goodwill of SEK 123 million being transferred to equity in the fourth quarter of 2022.

** The item is mainly related to the effect of the merger of the Helbio.

The Group's cash flow statement

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Profit/loss after financial items	-15.5	-16.5	-50.4
Adjustments for non-cash items	3.0	11.3	10.0
Cash flow from operating activities before changes in working capital			
Cash flow from changes in working capital	6.7	-5.0	-9.8
Cash flow from operating activities			
Cash flow from investing activities	-0.7	-0.1	-9.1
Cash flow from financing activities			
Cash flow for the period	-7.0	-10.7	62.3
Cash and cash equivalents at beginning of period	105.2	42.9	42.9
Cash and cash equivalents at end of period	98.2	32.2	105.2

Parent Company's income statement

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenues			
Net sales	14.1	-	49.0
Other operating income	-	0.1	0.3
	14.1	0.1	49.3
Operating expenses			
Raw materials and consumables	-14.0	-	-43.4
Other external costs	-5.0	-1.3	-13.0
Employee expenses	-3.2	-1.9	-9.4
Depreciation and amortisation of tangible and intangible assets	-0.1	-0.1	-0.5
Other operating expenses	-0.7	-0.2	-0.9
Operating income	-8.9	-3.4	-17.9
Result from financial items			
Profit or loss on securities that are fixed assets	-	-	-3.0
Interest receivable and similar income	0.0	-	0.2
Interest expenses and similar expenses	-0.1	-0.1	-0.2
Profit/loss after financial items	-9.0	-3.5	-20.9
Profit before tax	-9.0	-3.5	-20.9
Profit for the period	-9.0	-3.5	-20.9

Parent Company's balance sheet

MSEK	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised expenditure on development and similar works	0	0	0
	0	0	0
<i>Property, plant and equipment</i>			
Machinery and other technical installations	0.5	0.9	0.6
Equipment, tools and installations	0.3	0.1	0.1
	0.8	1.0	0.7
<i>Financial assets</i>			
Participations in Group companies	293.3	270.0	286.5
Participations in associated companies	6.2	-	6.2
Other long-term securities	2.0	5.0	2.0
Other long-term receivables	0.0	0.0	0.0
	301.5	275.0	294.7
Total fixed assets	302.3	276.0	295.4
Current assets			
<i>Inventories, etc.</i>			
Raw materials and consumables	3.1	-	1.4
	3.1	-	1.4
<i>Current receivables</i>			
Accounts receivables	1.4	-	1.3
Receivables from group companies	32.4	8.8	33.1
Other receivables	1.3	0.2	0.1
Prepayments and accrued income	1.8	0.3	0.7
	36.9	9.3	35.2
<i>Cash and cash equivalents</i>	91.0	30.2	100.8
Total current assets	131.0	39.5	137.4
TOTAL ASSETS	433.3	315.5	432.8

Parent Company's balance sheet

MSEK	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES			
Share capital			
<i>Restricted equity</i>			
Share capital	3.4	2.6	3.4
Statutory reserve	0.0	0.0	0.0
Reserve for development expenditure	-	-	-
	3.4	2.6	3.4
<i>Non-restricted equity</i>			
Share premium reserve	504.9	384.8	504.8
Balanced gain or loss	-96.8	-75.9	-75.9
Profit for the year	-9.0	-3.5	-20.9
Total equity	402.5	308.0	411.4
Non-current liabilities			
Other liabilities to credit institutions	2.3	3.0	2.5
		3.0	2.5
Current liabilities			
Other liabilities to credit institutions	0.6	0.6	0.6
Invoiced but unearned revenue	18.3	-	10.1
Accounts payable	6.5	0.4	2.3
Liabilities to Group companies	-	2.0	-
Tax liabilities	0.2	0.1	0.3
Other current liabilities	0.4	0.3	3.7
Accrued expenses and deferred income	2.5	1.1	1.9
	28.5	4.5	18.9
TOTAL EQUITY AND LIABILITIES	433.3	315.5	432.8

Parent company's change in equity

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Opening equity	408.0	311.5	311.5
Result of the period	-9.0	-3.5	-20.9
Net share issue	-	-	120.8
Closing equity	399.0	308.0	411.4

Parent Company's cash flow statement

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Profit/loss after financial items	-9.0	-3.5	-20.9
Adjustment for non-cash items	0.1	0.1	3.4
Cash flow from operating activities before changes in working capital			
changes in working capital	-8.9	-3.4	-17.5
Cash flow from changes in working capital	6.3	-1.1	-14.0
Cash flow from operating activities	-2.6	-4.5	-31.5
Cash flow from investing activities	-7.1	-	-22.7
Cash flow from financing activities	-0.1	-0.1	120.2
Cash flow for the period	-9.8	-4.6	66.0
Cash and cash equivalents at beginning of period	100.8	34.8	34.8
Cash and cash equivalents at end of period	91.0	30.2	100.8

The Group's key figures

MSEK	Jan-Mar 2023	Jan-Mar 2022*	Jan-Dec 2022
Net sales	14.2	12.3	63.8
Revenue	16.3	12.6	67.1
Operating income	-15.4	-16.4	-47.4
Profit/loss after financial items	-15.5	-16.5	-50.4
Total assets	180.6	226.1	190.1
Equity	156.4	214.9	171.7
Operating margin, %	-108	-134	-79
Net debt, %	-60	-13	-58
Equity/asset ratio, %	86.6	95.0	90.3
Number of shares ('000)	342 586	265 380	342 586
Average number of shares ('000)	342 586	262 601	301 908
Earnings per share, SEK	-0.05	-0.06	-0.07
Share price at end of period, SEK	1.24	3.44	1.13
Average number of employees	34	28	31
Number of employees	34	29	33

*In Q4 2022, the principle regarding the reporting of goodwill on additional investment in subsidiaries was adjusted, which resulted in reduced depreciation during 2022, of which SEK 6.5 million refers to the adjustment for Q1 2022 and goodwill of SEK 123 million being transferred to equity in the fourth quarter of 2022.

Definitions key figures:

Operating income

Profit/loss before net financial items

Operating margin

Operating profit as a percentage of net sales

Net debt

Long-term and short-term interest-bearing liabilities less cash and cash equivalents as a percentage of equity

Earnings per share

Profit attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the period

Equity/asset ratio

Equity as a percentage of total assets

Average number of shares

Average of number of shares outstanding during the period

Average number of employees

Average of number of employees during the period converted into full-time positions



About Metacon

Metacon is an international energy technology company based in Sweden with headquarter in Uppsala. The overall mission is to commercialise small and medium-sized energy systems for the production of hydrogen from fossil-free energy sources such as green electricity, biogas and bioethanol.

Metacon's systems have been developed to offer strong and innovative solutions for various central parts of society's energy and fuel transition. The Metacon share is listed on Nasdaq First North Growth Market. Aktieinvest AB is the Certified Advisor.

OUR VISION

Metacon to become one of the leading companies in Europe in solutions for local production of fossil-free hydrogen for industry and the transport sector

LONG-TERM OPERATIONAL GOALS

Metacon aims to become one of the market-leading suppliers of hydrogen solutions. With our technological advances and competitive products, we continue to be a driver of positive impact on the environment and society as a whole. We develop sustainable energy systems as a whole and we help customers find the right hydrogen solution based on their needs and conditions. We design, install and deliver systems, service and support of hydrogen plants. To achieve this, Metacon focuses on the following areas:

World-leading solutions for fossil-free hydrogen from biogas. Green hydrogen without the need for electricity grids or green electricity.

A broad portfolio of competitive products and services in fossil-free hydrogen production and solutions for a sustainable energy and fuel system.

Develop and commercialise new innovative technologies in the hydrogen field for different market segments with high needs.



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